

STATE OF NEW JERSEY
BUREAU OF SECURITIES
153 Halsey Street
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF: :

Gary J. Ferrera, :
(CRD NO. 2496815) :

SUMMARY
REVOCATION ORDER

:
Respondent

Gary J. Ferrera
5 Hemlock Drive
Verona, NJ 07044

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") under the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq. ("Law"), more particularly, N.J.S.A. 49:3-58 and after careful review and due consideration of:

- 1) NASD Market Regulation Department v. Park Capital Securities et al. Disciplinary Proceeding No. CMS040165 ("Disciplinary Proceeding Complaint"), filed on October 11, 2004;
- 2) NASD Market Regulation v. Gary Ferrara Offer of Settlement of Gary J. Ferrara Disciplinary Proceeding No. CMS040165 ("Offer of Settlement"), dated December 27, 2004;
- 3) NASD Market Regulation v. Gary Ferrara Order Accepting Settlement of Gary J. Ferrara Disciplinary Proceeding No. CMS 040165 ("Order Accepting Offer of

Settlement”), dated January 27, 2005, the Bureau Chief has determined that the agent registration of Gary J. Ferrera, shall be **REVOKED** for the reasons that follow:

1. Gary J. Ferrera, ("Ferrera"), CRD # 2496815, residing in Verona, New Jersey 07044, has been registered with the Bureau as an agent of eight different firms between the period beginning December 2, 1994, when Ferrera was registered as an agent of A.S. Goldmen & Co., Inc. ("Goldmen"), CRD # 23180, and ending April 17, 2003, when Ferrera terminated his employment with Capital Growth Financial, LLC. ("CGF"), CRD # 41040.

2. Specifically, Ferrera was registered with the Bureau as an agent of:

(1) Goldmen, CRD # 23180, from December 2, 1994 to March 20, 1995;

(2) The Boston Group ("Boston"), CRD # 37652, from March 28, 1995, to December 5, 1995;

(3) Toluca Pacific Securities Corp. ("Toulca"), CRD # 13875, from February 28, 1996, to June 12, 1996;

(4) RAS Corp. ("RAS"), CRD #28212, from June 14, 1996, to January 24, 1997;

(5) Tasin & Company, Inc. ("Tasin"), CRD # 30709, from May 6, 1997, to August 1, 1998;

(6) Hornblower & Weeks, Inc. ("Hornblower"), CRD # 4683, from October 28, 1998, to May 21, 2001;

(7) Park Capital Securities, LLC (" Park"), CRD #104206, from May 24, 2001, to December 31, 2002, and from January 16, 2003, to March 12, 2003;

(8) Capital Growth Financial, LLC ("CGF"), CRD # 41040, from March 18, 2003, to April 17, 2003.

3. On October 11, 2004, a disciplinary proceeding complaint was filed by the Department of

Market Regulation of the NASD ("NASD"), against Ferrera, charging him under its second cause of action, with Fraudulent Sales Practices, in violation of Sections 10(b) of the Exchange Act and Rule 10b-5, and NASD Conduct Rules 2110 and 2120, and charging him under its third cause of action, with Penny Stock Violations, in violation of Section 15(g) of the Exchange Act, SEC Rules 15g-2, 15g-3 and 15g-9, and NASD Conduct Rule 2110.

4. According to the second cause of action of the disciplinary proceeding complaint, between the period of April 1, 2002 through January 2003, Ferrera, while working as an agent of Park, in connection with the purchase or sale of securities, and by the use of means or instrumentalities of interstate commerce, or by the mails, directly or indirectly, knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or courses of business which operated or would operate as fraud or deceit upon any person, in violation of Sections 10(b) of the Exchange Act and Rule 10b-5, and NASD Conduct Rules 2110 and 2120.

5. According to the second cause of action of the disciplinary proceeding complaint, Ferrera employed classic, boiler-room techniques to induce customers to purchase Cordia stock, to dissuade them from selling Cordia stock and to avoid responsibility to his customers for his misconduct related to sales of Cordia stock. These techniques included, among other things, high-pressure sales pitches, material misrepresentations and omissions of fact relating to Cordia stock and unauthorized transactions in customer accounts.

6. According to the second cause of action of the disciplinary proceeding complaint, Ferrera acted individually and as a member of his selling group, participated in a scheme to defraud customers by engaging in an egregious pattern of fraudulent sale abuses and by providing

substantial assistance to other members of the group engaged in the same or similar misconduct in furtherance of the scheme in violation of Section 10(b) of the Exchange Act, SEC Rule 10b-5, and NASD Conduct Rules 2110 and 2120.

7. According to the third cause of action of the disciplinary proceeding complaint, between April 1, 2002 and January 31, 2003, Ferrera, recommended the purchase of Cordia stock to customers of Park. At the time of the recommendations, Cordia stock was a penny stock as defined under federal securities law.

8. According to the third cause of action of the disciplinary proceeding complaint, in connection with these recommendations, Ferrera: (a) failed to furnish customers, prior to effecting such transactions, with a risk disclosure document containing the information required by the penny stock rules; (b) failed to obtain from customers, prior to effecting customer transactions in Cordia stock, a manually-signed and dated written statement acknowledging receipt by the customers of such risk disclosure document; (c) failed to disclose to customers, either orally or in writing, prior to effecting customer transactions in Cordia stock, the inside bid and offer quotations for Cordia stock and failed to provide the same in writing to customers at or prior to the time of any written confirmation sent to the customer pursuant to SEC Rule 10b-10; and (d) failed to keep and preserve records of such disclosures to the customers as required by the penny stock rules, in violation of Section 15(g) of the Exchange Act, SEC Rules 15g-2, 15g-3 and 15g-9 and NASD Conduct Rule 2110.

9. On February 16, 2005, Ferrera submitted an Offer of Settlement to the NASD, consenting without admitting to or denying, the allegations of the disciplinary proceeding complaint.

FERRERA IS THE SUBJECT OF AN ORDER ENTERED WITHIN THE PAST FIVE YEARS
BY A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A NATIONAL
SECURITIES ASSOCIATION REGISTERED UNDER THE SECURITIES EXCHANGE ACT

OF 1934

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

10. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

11. Pursuant to N.J.S.A. 49:3-58(a), "[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant . . . (vi)... is subject to an order of the Securities and Exchange Commission, [or] a self-regulatory organization . . . suspending or expelling him from a national securities or commodities exchange or national securities or commodities association registered under the 'Securities Exchange Act of 1934,'... but (A) the bureau chief may not institute revocation or suspension proceedings under this subparagraph (vi) more than two years from the date of the order relied on . . . "

12. By Order Accepting Offer of Settlement, dated January 27, 2005, the NASD has barred Ferrera from associating with any NASD member in any capacity, effective January 27, 2005, pursuant to Section 10(b) and 15(g) of the Securities Exchange Act of 1934, and Rules 10b-5, 15g-2, 15g-3 and 15g-9 thereunder, and NASD Conduct Rules 2110 and 2120. This is cause pursuant to N.J.S.A. 49:3-58(a)(2)(vi) to revoke Ferrera's registration.

**FERRERA HAS ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE
SECURITIES BUSINESS**

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vii)

13. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

14. Pursuant to N.J.S.A. 49:3-58(a), "[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(vii) has engaged in dishonest or unethical practices in the securities, commodities, banking insurance or investment advisory business, as may be defined by rule of the bureau chief."

15. The foregoing conduct by Ferrera constitutes dishonest or unethical practices in the securities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), and it is in the public interest pursuant to N.J.S.A. 49:3-58(a)(1), to revoke Ferrera's registration as a securities agent of CGF.

16. Based upon the foregoing, the revocation of Ferrera's registration as an agent of CGF, is in the public interest and necessary for the protection of investors.

For the reasons stated above it is on this 5th day of October, 2005 **ORDERED** that the agent registration of Gary J. Ferrera with Capital Growth Financial, LLC, be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vi) and (vii).

Dated: October 5, 2005

By: Franklin L. Widmann

Franklin L. Widmann
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically N.J.S.A. 49:3-58(c). The Bureau Chief shall, entertain on no less than three (3) days' notice, a written application to lift the summary postponement, suspension or revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary postponement, suspension or revocation.

The matter will be set down for a hearing if a written request for such hearing is filed with the bureau within fifteen (15) days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon ten (10) days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within twenty (20) days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the bureau chief shall affirm, vacate or modify the order in accord with the finding made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.